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FAS REPORT

United States Department of Agriculture
Foreign Agricultural Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 48-82

WASHINGTON, Dec. 1--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

Despite its severely reduced wheat crop, AUSTRALIA has agreed to supply Egypt with a minimum of 1 million tons of white standard wheat in calendar 1983. However, Australia has the option to substitute up to 15 percent all purpose wheat for the white standard. The 1983 agreement does not give Egypt the option to purchase quantities above the 1 million-ton base level as did the 1982 arrangement. Approximately 25 percent of the quantity is to be shipped during November-December 1983. Prices will be determined quarterly. The Australian-Egyptian bilateral wheat agreement provides for a minimum 1-million-ton annual Australian commitment between January 1982-December 1986.

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WORLD 1982 hop production is estimated at 127,466 tons, an increase of 6 percent from last year. A record harvest enabled West Germany to regain its top position in world production from the United States, which was No. 1 in 1980 and 1981. Larger production in West Germany, the United Kingdom, Yugoslavia, German Democratic Republic, Australia, France, Belgium and Japan more than offset lower output in the United States, Poland and Spain.

An 8-percent drop in area, combined with crop losses occurring from an August storm, lowered earlier estimates for the U.S. crop. Drought in Spain, particularly in non-irrigated hop areas, caused production to fall below the government's targeted production level for the second year in a row.

Hop yields in France were unusually high (22 percent above 1981), allowing for a 20-percent larger harvest. Larger yields also occurred in West Germany, the United States, Czechoslovakia and the United Kingdom. The alpha-acid content of hops harvested in West Germany is reportedly below average, and the crop quality, based on alpha-acid content, was also lower in the United Kingdom and Spain.

World hop area, estimated at 83,917 hectares, is up marginally from last year. Lower spot prices reduced acreage expansion in several countries. Japan is continuing the trend of reducing its hop area due to the availability of cheaper imports. Little, if any, area expansion is anticipated next year because of generally depressed prices and less forward contracting activity.

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Hop production data are as follows in tons:

Country	1980	1981	1982
West Germany......	26,892	33,704	40,403
United States.....	34,270	35,900	35,840
Czechoslovakia....	10,036	12,885	11,500
United Kingdom....	9,749	9,339	10,200
Yugoslavia........	4,731	5,202	5,280
Others............	21,910	23,430	24,243
World total.....	107,588	120,460	127,466

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BRAZIL has instituted a special subsidy on corn from government stocks, effective June 1-Dec. 31, 1982, for poultry produced for export. This is in addition to a $5-10 per ton subsidy on all corn exports as a result of producer support payments that are higher than world market prices. Producers of poultry for export are being offered corn at 1,000 cruzeiros ($4.30) per ton, while the current domestic market price is 20,000-25,000 cruzeiros ($86.05-107.57) per ton. Given the current level of poultry exports and assuming that all producers take advantage of the program, more than 300,000 tons of corn could be involved.

TOBACCO

Preliminary estimates of the 1983 WORLD tobacco crop in early harvest areas indicate higher production levels due to acreage increases. The new crop, estimated at 1.54 million tons compared to 1.47 million tons harvested in 1982, represents 22 percent of total world production. In South America, transplanting has been completed and crops in Brazil, Argentina and Paraguay are expected to be up from 7-15 percent as improved export prospects encouraged planting increases of 10-20 percent.

In Asia, production is expected to be up in India, the Philippines and Thailand, while Indonesian output is projected to be at about last year's level. Yields in these countries are expected to remain constant. India's main harvest will begin in January and extend through February. Favorable weather at the beginning of the planting season, as well as higher grower prices, resulted in an acreage increase of 2 percent. Philippine prices for burley and flue-cured were up 18 percent in 1982. Tobacco acreage expansion should result in a larger crop in 1983. Thailand is expected to continue the trend of acreage increases for flue-cured, burley and oriental types. Burley area is expected to increase the most--13 percent.

In Africa, production increases are forecast for Malawi, Zimbabwe and South Africa, as higher prices in 1982 encouraged growers to expand acreage. Zimbabwe's flue-cured crop is expected to be 4 percent above last year's and burley production is expected to approach 5,000 tons.

In Australia, a 6-percent larger crop is projected. The marketing quota for the 1983 season was increased 200 tons from last year. The minimum average price is also expected to be increased in January.

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Total tobacco production for early harvest areas is as follows in 1,000 tons:

Country	1982	1983
Brazil	372	400
Argentina	69	75
Zimbabwe	92	98
Malawi	59	70
India	470	480
Indonesia	115	116
Philippines	91	93
Thailand	90	96
Others	113	114
Total above	1,471	1,542
World	6,570	NA
Percent of World	22	NA

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The SOVIET UNION imported a total of 104,735 tons of leaf tobacco during 1981, an increase of 25 percent from 1980 and 57 percent from 1979. Bulgaria continued to be the major supplier, with 39.5 percent of the total, followed by India with 36.5 percent. Other suppliers were Turkey, Greece, North Korea and Yugoslavia. Although Bulgaria's share dropped, India's and North Korea's increased significantly in 1981. Imports in 1982 are likely to equal those of 1981. Revised cigarette import data indicate that a total of 73.5 billion pieces was imported in 1981, an increase of 26 percent from 1980. Again, Bulgaria was the major supplier with three-fourths of the market, followed by Yugoslavia (13 percent) and India (3 percent).

SUGAR

Output of non-centrifugal sugar in MAJOR PRODUCING COUNTRIES for 1982/83 is estimated at 9.3 million tons, up more than 4 percent from the revised 1981/82 level of 8.9 million tons. Production in India increased 10 percent to 6.6 million tons as a result of higher prices, while output in Pakistan declined to 1.4 million due to smaller cane area. The output in Colombia is expected to remain at year-earlier levels because of lower relative prices and labor shortages. Production in Bangladesh and the Philippines is expected to remain close to year-earlier levels.

COFFEE, TEA AND COCOA

WORLD coffee production for 1982/83 is estimated at 82.5 million bags (60 kg. each), up 1 percent from the previous forecast, but down 15.2 million from the revised 1981/82 output of 97.7 million bags. Production for 1982/83 in Brazil and Colombia remains unchanged from the September 9 forecast at 17.75 million and 13.5 million bags, respectively. The drop in Brazilian production from the 1981/82 level of 33 million bags nearly equals the drop in world output between 1981/82 and 1982/83. Changes in other producing countries are nearly offsetting.

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The most significant changes from the September 9 forecast for 1982/83 occurred in Uganda, Indonesia, Philippines, India, Ecuador, Ivory Coast and Cameroon. In Uganda, verified International Coffee Organization (ICO) stock data indicate a significantly higher production level for both 1981/82 and 1982/83. In addition, there are reports that better husbandry of trees will help improve the 1982/83 crop. Dry weather in India, resulting from the erratic behavior of the monsoon and the normal biennial bearing pattern, are expected to decrease production to 2 million bags. Dry weather and low coffee price in Indonesia are expected to reduce production to 5.58 million bags. Recent information and new ICO data point to increased output in the Philippines.

The 1981 freeze is expected to reduce Parguay's crop while dry weather will cut Ecuador's and Venezuela's 1982/83 output. The potentially good crop in Mexico was reduced by a tropical storm in September, but it is still above the 1981/82 level. A combination of early dry weather and later heavy rains is expected to reduce crops in Cameroon, Ivory Coast, Kenya and Tanzania, while favorable weather is expected to boost production in Ghana, Nigeria and Honduras. In Costa Rica, increased production is expected for 1982/83 as a result of both greater harvested area and additional high-density plantings reaching productive age.

Regional coffee production for 1981/82 and 1982/83 is as follows in 1,000 60-kilogram bags:

Region	1981/82	1982/83
North and Central America and Caribbean	15,203	16,140
South America	51,394	35,250
Africa	20,291	20,861
Asia	9,911	9,306
Oceania	918	960
Total	97,717	82,517

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Selected International Prices

Item	November 30, 1982		Change from previous week	A year ago
	$ per MT	$ per bu.	$ per MT	$ per MT
ROTTERDAM PRICES 1/				
Wheat:				
Canadian No. 1 CWRS-13.5%.*	207.50	--	--	N.Q.
U.S. No. 2 DNS/NS: 14%....	182.00	4.95	+4.00	206.00
U.S. No. 2 DHW/HW: 13.5%.**	188.00	--	--	212.00
U.S. No. 2 S.R.W.........**	158.00	4.30	-1.00	183.00
U.S. No. 3 H.A.D..........	177.00	4.83	-1.50	204.00
Canadian No. 1 A: Durum..*	204.00	5.55	+10.00	N.Q.
Feed grains:				
U.S. No. 3 Yellow Corn....	118.50	3.01	+1.00	126.75
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	134.00
Feed Barley 3/...........	N.Q.	--	--	152.00
Soybeans and meal:				
U.S. No. 2 Yellow.........	231.50	6.30	-2.70	257.00
Brazil 47/48% SoyaPellets 4/	229.00	--	+4.00	N.Q.
U.S. 44% Soybean Meal.....	219.00	--	+.50	230.00
U.S. FARM PRICES 5/				
Wheat.....................	130.81	3.56	+1.47	135.95
Barley....................	66.14	1.44	--	83.13
Corn......................	91.73	2.33	--	92.91
Sorghum...................	92.59	4.20 6/	.22	86.42
Broilers 7/...............	873.68	--	+8.38	951.50
EC IMPORT LEVIES				
Wheat 8/.................	89.37	2.43	-1.71	75.60
Barley....................	95.27	2.07	-7.45	80.25
Corn......................	94.64	2.40	+1.98	105.90
Sorghum...................	87.60	2.23	-.13	94.95
Broilers 9/...............	296.00	--	+4.00 10/	256.00
EC INTERVENTION PRICES 11/				
Common wheat(feed quality)	175.95	4.79	+2.57	192.57
Bread wheat...............	194.08	5.28	+2.83	222.96
Barley and all other feed grains.......	175.95	--	+2.57	192.57
Broilers 12/..............	1107.00	--	+43.00	--
EC EXPORT RESTITUTIONS (subsidies)				
Wheat.....................	61.72	1.68	-2.38	59.70
Wheat flour...............	93.76	--	0	71.82
Barley....................	70.68	1.54	+.65	51.95
Broilers 9/...............	191.00	--	+3.00 10/	149.00
Sugar, refined 13/........	317.00	--	14.00	271.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Change in dollar value of broiler levy or restitution generally reflects currency fluctuations and not change in level set by EC. 11/ Basically the intervention price is the EC farm price support, determined annually. 12/ F.o.b. price for whole broilers at West German border. 13/ Nov. 24 N.Q.=Not quoted.

Note: Basis December delivery. * April-May. ** January.

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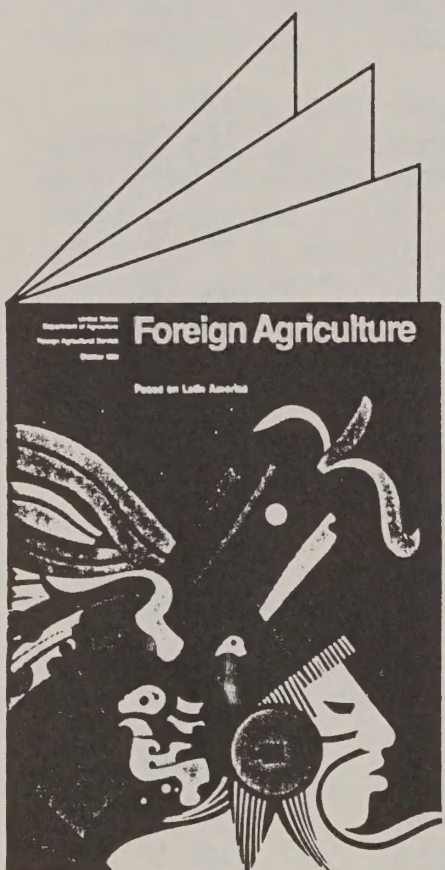

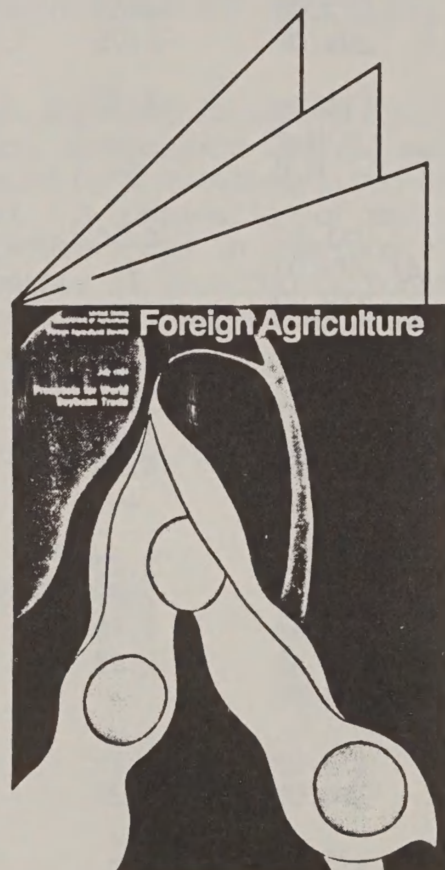

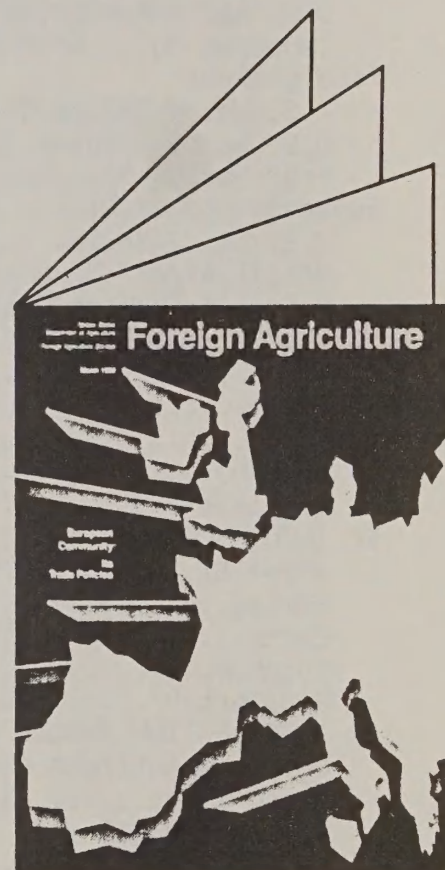

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